

BAY STATE GAS COMPANY
D.T.E. 06-07

FIRST SET OF INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO
BAY STATE GAS COMPANY

INSTRUCTIONS

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to Bay State Gas Company in this proceeding.

Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.

These requests shall be deemed continuing so as to require further supplemental responses if the Local or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.

The term “provide complete and detailed documentation” means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.

The term “document” is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.

If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.

Pursuant to 220 C.M.R. § 1.06(6)(c) the Department of Telecommunications and Energy (“Department”) submits to Bay State Gas Company (“Bay State” or the “Company”) the following information requests.

- DTE 1-1 Please clarify the Daily Contract Quantity (“DCQ”) specified in the NEA Agreement: (1) 48,817 dth/day (see p. 3 of petition for Approval fo Long term Supply and Capacity Contract), and (2) 48,000 dth/day (see p. 2 of petition for Approval fo Long term Supply and Capacity Contract).
- DTE 1-2 Please discuss how the NEA Agreement will contribute to the strength of the Company’s overall supply portfolio. In addition, please explain how the NEA Agreement fits into the Company’s portfolio objectives established in the Company’s most recently approved Forecast and Supply Plan (see Bay State Gas Company, D.T.E. 02-75 (2004)).
- DTE 1-3 Please provide copies and supporting documents showing the Company’s need for incremental supply and capacity as presented in the last approved Forecast and Supply Plan (see Bay State Gas Company, D.T.E. 02-75 (2004)). In your answer, please provide a table with the following information on the growing demand for natural gas for the time period covered by the NEA Agreement:
- (a) forecast of firm sales;
 - (b) forecast of firm transportation sales; and
 - (c) forecast of reverse migration (sales).
- DTE 1-4 Please discuss whether the Company has observed a difference between the forecasted growth in demand predicted at the time the last forecast and supply plan was filed and the current need.
- DTE 1-5 The Company states that the NEA Agreement has a primary term commencing on November 1, 2006 through March 31, 2011 with NEA having the right, prior to September 1 2010, to extend the gas supply service through November 30, 2016 (Exh. BSG-1 at 6). Please, discuss whether NEA would have rights to change the terms of the gas supply service when deciding on the extension through November 2016.
- DTE 1-6 Bay State states that it has the option to not take any supply service during two months, November and March, if operational reasons dictate such a choice (Exh. BSG-1 at 6). Please discuss those operational reasons.
- DTE 1-7 Please explain the term of the firm transportation capacity contract associated with the NEA Agreement. Does the firm transportation contract have a primary term up to March 31, 2011 with NEA having the right to extend the capacity contract through November 2016 as well as the gas supply contract?
- DTE 1-8 Please explain why the firm transportation capacity within the NEA Agreement will have two different tariff rates for the following period: (1) the Rate Schedule X-35 for the period November 30, 2006 through December 31, 2008,

and (2) the current FERC-approved maximum tariff rate 2 for the period January 1, 2009 through November 30, 2016 (Exh. BSG-1 at 6-7).

- DTE 1-9 Please refer to Exh. BSG-1, at 6. It is stated that the DCQ or daily contract quantity will be 48,000 Dth/day. Please provide:
- (a) the proportion that the DCQ represents in the Company's total commodity resource portfolio;
 - (b) the proportion that the DCQ represents in the Company's design-day requirement; and
 - (c) the proportion that the DCQ represents in the Company's seasonal requirements.
- DTE 1-10 Discuss how the NEA Agreement will contribute to diversifying the Company's resource portfolio. Please, provide a table containing the total number of gas commodity contracts, area of origin of gas, length of contracts, and suppliers.
- DTE 1-11 During the RFP process, did the Company provide any RFP respondent with an opportunity to revise or change the terms of its original response?
- DTE 1-12 Please refer to page 17 of Exhibit BSG-1 and Exhibit FCD-8.
- (a) Why did the Company only examine 4 seasons worth of December to February data while developing a NYMEX basis differential price to compare all of the submitted bids at Centerville?
 - (b) Update the analysis contained in Exhibit FCD-8 by expanding the time horizon to include the past ten seasons of December to February comparisons between monthly NYMEX prices at expiration to the Transco Non-Ny delivery point monthly index price.
- DTE 1-13 Please refer to page 19 of Exhibit BSG-1. Which two top bids for AGT citygate service were combined and assumed to continue for a five year period?
- DTE 1-14 Please refer to Exhibit FCD-13, page 4 of 4.
- (a) What were the credit ratings of NEA and the remaining bidder at the time the Company performed its analysis of non-price factors? Please provide the credit ratings as determined by Moodys and Standard and Poors.
 - (b) Given the absence of a credit rating for the third bidder, how was the Company able to assess the firm's financial integrity?